

# sec news digest

Issue 91-214

November 5, 1991

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## COMMISSION ANNOUNCEMENTS

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### CANCELLATION OF INVESTMENT ADVISER REGISTRATIONS

The Commission has issued a notice regarding the cancellation of certain investment adviser registrations for failing to comply with filing requirements of Rule 204-1 under the Investment Advisers Act of 1940. (Rel. IA-1292)

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## CIVIL PROCEEDINGS

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### DIRECT PHARMACEUTICAL CORPORATION ENJOINED

The Commission announced that on November 4 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction (Final Judgment) by Consent against Direct Pharmaceutical Corporation (Direct) of 2275 Cassens Drive, Fenton, Missouri 63026. In its Consent Direct admitted that it failed to file its annual report on Form 10-K for its fiscal year ended September 30, 1990; its quarterly reports on Form 10-Q for its fiscal quarters ended December 31, 1990, March 31, and June 30, 1991; and a complete and accurate current report on Form 8-K concerning its acquisition of Taykel Corporation in January 1990. Direct also admitted that it failed to file timely three additional annual reports on Form 10-K, three additional quarterly reports on Form 10-Q and two notifications of late filing on Form 12b-25. The Final Judgment enjoins Direct from further violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 12b-25, 13a-1, 13a-11 and 13a-13 thereunder and requires that it file its delinquent reports within 75 days after the entry of the Final Judgment. The Commission filed its complaint on September 30, 1991 [LR-13003]. According to its 1989 Annual Report, Direct is engaged in the distribution of pharmaceuticals. [SEC v. Direct Pharmaceutical Corporation, Civil Action No. 91-2458, SS, D.D.C.] [LR-13076]

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U.S. SECURITIES  
EXCHANGE COMMISSION

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## INVESTMENT COMPANY ACT RELEASES

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### SCI/TECH HOLDINGS, INC.

A notice has been issued giving interested persons until November 26 to request a hearing on an application filed by Sci/Tech Holdings, Inc. (Sci/Tech), Merrill Lynch Asset Management, Inc. and Merrill Lynch Funds Distributor, Inc. (together, Applicants). Applicants request an order pursuant to Section 6(c) of the Investment Company Act (Act) for an exemption from the provisions of Sections 12(d)(1), 17(d) of the Act and Rule 17d-1 thereunder. Applicants also request, pursuant to Section 17(b) of the Act, an exemption from Section 17(a) and, pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, approval of certain transactions. Such an order would permit Sci/Tech to transfer a portion of its assets to a newly formed, wholly-owned subsidiary that is a registered investment company. It would also permit Sci/Tech to distribute to their shareholders the stock of the subsidiary received in exchange for the transfer of assets. (Rel. IC-18390 - November 1)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING PRIVILEGES GRANTED

An order has been issued granting the application of the Midwest Stock Exchange for unlisted trading privileges in 7 issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-29891)

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## SELF-REGULATORY ORGANIZATIONS

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### ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved on an accelerated basis proposed rule changes filed under Rule 19b-4 by the American Stock Exchange (SR-Amex-91-28), Boston Stock Exchange (SR-BSE-91-9), Midwest Stock Exchange (SR-MSE-91-14), New York Stock Exchange (SR-NYSE-91-30) and Philadelphia Stock Exchange (SR-PHLX-91-38). The proposed rule changes extend until October 31, 1992 circuit breaker rules that will be activated during volatile market conditions. Publication of the order is expected in the Federal Register during the week of November 4. (Rel. 34-29868)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Philadelphia Stock Exchange (SR-PHLX-91-04) to provide for a Series Opening Request Ticket (SORT) procedure for equity and index options as an alternative to the opening rotation procedures presently employed by the PHLX. The SORT procedures are intended to expedite the opening of trading in PHLX options. Publication of the order is expected in the Federal Register during the week of November 4. (Rel. 34-29869)

The Commission has approved a proposed rule change submitted under Rule 19b-4 by the Pacific Stock Exchange (SR-PSE-91-29) that amended the PSE's listing standards in increasing the original listing fee for common stock and the annual maintenance fee for additional issues. The PSE also adopted two new listing fees: a fee for changes in name or par value and an application processing fee. (Rel. 34-29882)

#### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change submitted under Rule 19b-4 by the Options Clearing Corporation (SR-OCC-91-07) to permit the OCC to implement a cross-margining program with the Board of Trade Clearing Corporation. Publication of the notice is expected in the Federal Register during the week of November 4. (Rel. 34-29888)

#### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-91-55) that became effective upon filing under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The NASD is proposing an interpretation of an existing rule pertaining to the NASD's periodic reclassification of securities in the appropriate Small Order Execution System (SOES) maximum order size tiers. The rule change notifies the Commission of the reclassification of some 487 National Market System securities within the maximum SOES order size tier levels. Publication of the proposal is expected in the Federal Register during the week of November 4. (Rel. 34-29881)

Pursuant to Section 19(b) of the Securities Exchange Act of 1934, 15 U.S.C. Section 78s(b), notice is hereby given that on October 24 the Midwest Securities Trust Company filed with the Commission a proposed rule change (SR-MSTC-91-05) relating to distributions. The proposed rule change has become effective upon filing under Section 19(b)(3) of the Act, 15 U.S.C. Section 78s(b)(3). Publication of the proposal is expected in the Federal Register during the week of November 4. (Rel. 34-29886)

#### AMENDMENT AND PARTIAL APPROVAL OF PROPOSED RULE CHANGE

The Commission has requested comment on and granted partial accelerated approval to a proposed rule change (SR-CSE-91-03) pursuant to Rule 19b-4 to increase the number of securities a Designated Dealer can preference to itself from 60 to 125. Publication of the release is expected in the Federal Register during the week of November 4. (Rel. 34-29885)

#### PROPOSED RULE CHANGE

The New York Stock Exchange filed a proposed rule change (SR-NYSE-91-36) relating to electronic "T+1" overnight comparison of Exchange options transactions. Publication of the proposal is expected in the Federal Register during the week of November 4. (Rel. 34-29887)

#### PARTIAL APPROVAL OF PROPOSED RULE CHANGE

The Commission granted partial approval to a proposed rule change (SR-NASD-90-53) submitted by the National Association of Securities Dealers. The rule change amends Article V, Sections 1 and 3 of the NASD rules of Fair Practice which changes the term

"penalty" to "sanction" and authorizes the National Business Conduct Committee to impose sanctions for violations of NASD rules, and to impose costs of disciplinary proceedings on respondents. (Rel. 34-29893)

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## MISCELLANEOUS

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### WESTERN AIR LINES, INC. PILOTS VARIABLE PENSION PLAN LIQUIDATING TRUST

A notice has been issued giving interested persons until November 20 to request a hearing on an application, as amended, by the Western Air Lines, Inc. Pilots Variable Pension Plan Liquidating Trust pursuant to Section 12(h) of the Securities Exchange Act of 1934 for an order of exemption from the registration requirements of Section 12(g) of the Act. (Rel. 34-29861)

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## SIGNIFICANT NO-ACTION AND INTERPRETATIVE LETTERS

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The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance. These letters express the view of the Division respecting novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Room, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Room, 450 Fifth Street, N.W., Room 1024, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date.

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Andrews & Kurth	1934 Act - Section 16	6-4-91	6-4-91
Jay E. Bothwick, Esq.	1933 Act - Rule 144(d)	6-12-91	6-12-91
Charles Schwab Corporation	1933 Act - Rule 144	6-7-91	6-7-91
Fidelity Medical Inc.	1933 Act - Form S-3	6-5-91	6-5-91
Golden Nugget, Inc.	1933 Act - Rule 144(d)	6-4-91	6-4-91
Heller, Ehrman, White & McAuliffe	1933 Act Section 16(a)	6-20-91	6-20-91

J. William Holland, SIPC Trustee	1933 Act - Rule 144	6-7-91	6-7-91
Kurzweil Music Systems, Inc.	1934 Act - Rule 13e-3	6-7-91	6-7-91
Mary Kay Cosmetics, Inc.	1933 Act - Sections 2(11) & 5	6-5-91	6-5-91
Merchants National Bank & Trust Company	1934 Act - Section 13(d)	6-24-91	6-24-91
Morgan Stanley & Co. Incorporated	1933 Act - Sections 2(11) & 5	6-5-91	6-5-91
Phillips Petroleum Company	1934 Act Rule 16b-3	6-6-91	6-6-91
Ralston Purina Company (reconsideration)	1934 Act - Section 16	6-20-91	6-20-91
Simpson Thacher & Bartlett	1934 Act - Section 16	6-19-91	6-19-91
Simpson Thacher & Bartlett	1934 Act - Section 16	6-27-91	6-27-91
Taro Vit Industries Limited	1933 Act - Rule 144(d)	6-13-91	6-13-91
Valhi, Inc.	1934 Act - former Rule 16b-3	6-10-91	6-10-91
AAI Holdings Corp., <u>et al.</u>	1933 Act - Section 5	7/1/91	7/1/91
Anheuser-Busch Companies, Inc.	1934 Act - Rule 16a-1	7/29/91	7/29/91
Ford Motor Company	1934 Act - Rule 16a-1	7/18/91	7/18/91
Frederic W. Cook & Co., Inc.	1934 Act - Rule 16b-3	7/3/91	7/3/91
Howard Rice Nemerovski Canady Robertson & Falk	1933 Act - Section 10(a)(3); 1934 Act - Form 11-K	7/5/91	7/5/91

Southwest Airlines Company	1934 Act - Rule 16b-3	7/17/91	7/17/91
Standard & Poor's Corporation	1933 Act - Rule 144A	7/8/91	7/8/91
Stroock & Stroock & Lavan	1934 Act - Rule 16b-3	7/3/91	7/3/91

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## SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

- S-6 PAINWEBBER EQUITY TRUST SPECIAL SITUATIONS SERIES 10 - INDEFINITE SHARES. (FILE 33-43477 - OCT. 28) (BR. 22 - NEW ISSUE)
- S-6 PAINWEBBER EQUITY TRUST GROWTH STOCK SERIES 10 - INDEFINITE SHARES. (FILE 33-43478 - OCT. 28) (BR. 22 - NEW ISSUE)
- S-6 PAINWEBBER PATHFINDERS TRUST TREASURY & GROWTH STK SERS 13 - INDEFINITE SHARES. (FILE 33-43480 - OCT. 28) (BR. 22 - NEW ISSUE)
- S-3 XTRA INC, 60 STATE ST, C/O X L CO INC, BOSTON, MA 02109 (617) 367-5000 - 90,000,000 (\$90,000,000) STRAIGHT BONDS. (FILE 33-43481 - OCT. 28) (BR. 5)
- S-8 SANTA BARBARA BANCORP, 1021 ANACAPA ST, SANTA BARBARA, CA 93101 (805) 564-6300 - 330,250 (\$5,449,125) COMMON STOCK. (FILE 33-43560 - OCT. 28) (BR. 1)
- S-3 TENNECO INC /DE/, TENNECO BLDG, HOUSTON, TX 77002 (713) 757-2131 - 14,375,000 (\$576,796,875) PREFERRED STOCK. 7,187,500 PREFERRED STOCK. 14,375,000 COMMON STOCK. (FILE 33-43561 - OCT. 28) (BR. 4)
- S-4 XCL SUNRISE INC /DE/, 8150 N CENTRAL EXPRWY STE 645, DALLAS, TX 75206 (214) 696-6916 - 10,000,000 (\$690,000) COMMON STOCK. (FILE 33-43562 - OCT. 28) (BR. 4)
- F-1 BIOMIRA INC, 9411-20 AVE, EDMONTON ALBERTA CANADA T6N1E5, A0 - 4,000,000 (\$40,000,000) FOREIGN COMMON STOCK. UNDERWRITER: SCOTIA MCLEOD USA INC. (FILE 33-43563 - OCT. 28) (BR. 4)
- S-1 UNITED HERITAGE CORP, 2 N CADDO ST, P O BOX 1956, CLEBURNE, TX 76033 (817) 641-3681 - 1,150,000 (\$4,025,000) COMMON STOCK. 575,000 (\$2,587,500) COMMON STOCK. 575,000 (\$3,162,500) COMMON STOCK. 1,150,000 COMMON STOCK. 1,150,000 COMMON STOCK. (FILE 33-43564 - OCT. 25) (BR. 2)

REGISTRATIONS CONTINUED

- S-3 CONVERSION INDUSTRIES INC, 101 E GREEN ST STE 14, PASADENA, CA 91105 (818) 793-7526  
- 696,680 (\$3,135,060) COMMON STOCK. (FILE 33-43610 - OCT. 28) (BR. 3)
- S-8 ADTEC INC, 8799 CROWNHILL BLVD, SAN ANTONIO, TX 78209 (512) 829-7951 - 775,000  
(\$1,557,750) COMMON STOCK. (FILE 33-43611 - OCT. 25) (BR. 9)
- S-8 MAIN ST & MAIN INC, 8700 E VIA DE VENTURA STE 305, SCOTTSDALE, AZ 85258  
(602) 951-3200 - 1,000,000 (\$5,094,000) COMMON STOCK. (FILE 33-43612 - OCT. 28)  
(BR. 12)
- S-8 UNITED SECURITY BANCSHARES INC, 131 W FRONT STREET, P O BOX 249, THOMASVILLE, AL  
36784 (205) 636-5424 - 50,000 (\$1,250,000) COMMON STOCK. (FILE 33-43613 - OCT. 28)  
(BR. 1)
- S-8 DANEK GROUP INC /IN, 3092 DIRECTORS ROW, MEMPHIS, TN 38131 (901) 396-2695 - 337,500  
(\$8,949,532.24) COMMON STOCK. (FILE 33-43614 - OCT. 25) (BR. 8)
- S-8 PROVIDENT AMERICAN CORP, 2500 DEKALB PIKE, NORRISTOWN, PA 19404 (215) 279-2500 -  
500,000 (\$2,062,500) COMMON STOCK. 300,000 (\$1,162,500) COMMON STOCK. (FILE 33-43617  
- OCT. 25) (BR. 10)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD MON PYMT SER 514, NY - INDEFINITE SHARES.  
(FILE 33-43631 - OCT. 29) (BR. 22 - NEW ISSUE)

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**ACQUISITION OF SECURITIES**

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Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/%OWNED	CUSIP/PRIOR%	FILING STATUS
AMERICAN INDY FINL CORP	COM		126	02675910	
TWEEDY BROWNE CO L P ET AL	13D	10/25/91	6.6	5.0	UPDATE
AMERN TELEV & COMM INC NEW	CL A		1,889	03018710	
GAMCO INVESTORS INC ET AL	13D	10/29/91	1.7	1.5	UPDATE
APPLIED DNA SYS INC	COM		6,122	03815610	
STEIN EDMUND W ET AL	13D	10/18/91	37.6	45.2	UPDATE

## ACQUISITIONS CONT.

NAME AND CLASS OF STOCK/OWNER	FORM	EVENT DATE	SHRS(000)/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
B&H MARITIME CARRIERS LTD TWEEDY BROWNE CO L P ET AL	COM 13D	10/25/91	225 7.3	05490410 6.2	UPDATE
CROSS & TRECKER CORP BEAR STEARNS & CO	COM 13D	10/24/91	585 4.7	22743010 0.0	NEW
ESCAGENETICS CORP BIO RAD LABS INC	COM 13D	10/28/91	1,673 45.0	29605310 47.5	UPDATE
ESCAGENETICS CORP INTL PLANT RESH INSTITUTE	COM 13D	10/28/91	1,493 40.1	29605310 42.4	UPDATE
GVC VENTURE CORP BANKS GORDON L	COM 13D	9/ 3/91	413 16.9	36299710 13.9	UPDATE
GVC VENTURE CORP HANOVER MARC J	COM 13D	9/ 3/91	243 10.3	36299710 8.3	UPDATE
HICKAM DOW B INC BEAR STEARNS & CO	COM 13D	10/24/91	115 5.3	42868110 0.0	NEW
HON INDS INC BANDAG INC	COM 13D	10/25/91	2,482 7.7	43809210 7.7	UPDATE
HORN & HARDART CO QUASHA ALAN GRANT ET AL	COM 13D	10/25/91	16,294 100.0	44050610 21.9	UPDATE
IMRE CORP ALLEN & COMPANY	COM PAR \$0.02 13D	10/ 8/91	2,078 14.8	44969530 13.0	UPDATE
KITCHEN BAZAAR INC C B EQUITIES ET AL	COM 13D	10/24/91	5,914 59.2	49802310 46.7	UPDATE
PHOENIX RESOURCE COS INC GOLDMAN SACHS & CO	COM 13D	10/29/91	17,862 76.4	71891310 77.2	UPDATE
PRIMARK CORP KASPUTYS JOSEPH E	COM 13D	11/ 1/91	1,616 8.4	74190310 7.3	UPDATE
SCRIPT SYS INC TUCKER ROBERT D ET AL	COM NEW 13D	10/29/91	197 14.1	81106730 9.8	RVISION
SOMERSET BANCSHARES INC SNYDER, VON SELDENCK ET AL	COM 13D	10/29/91	414 9.0	83461710 9.5	UPDATE
STEPHAN CO FEROLA FRANK F	COM 13D	9/20/91	235 19.2	85860310 24.9	UPDATE
WELDOTRON CORP TWEEDY BROWNE CO	COM 13D	10/24/91	91 5.0	94939110 5.6	UPDATE
WORTH CORP WORMS M M & CIE ET AL	COM 13D	10/28/91	2,653 50.2	98164510 48.5	UPDATE
ZIEGLER INC KELLOGG PETER R	COM 13D	10/22/91	140 5.3	98950610 0.0	NEW